

134. A method as in claim 133, in which:

said first budget governs the number of copies which may be made by said first device of said first digital file or a portion thereof; and

said second budget governs the number of copies which may be made by said first device of said second digital file or a portion thereof.

REMARKS

The present application is a continuation of immediate parent U.S. Patent Appln. Ser. No. 09/208,017 filed December 9, 1998 ("immediate parent"), which is a continuation of U.S. Patent Appln. Ser. No. 08/964,333, filed November 4, 1997 (now U.S. Patent No. 5,982,891), which is a file wrapper continuation of U.S. Patent Application Appln. Serial No. 08/388,107 filed February 13, 1995, now abandoned.

New claims 91-133 in this application correspond to cancelled claims from immediate parent application (09/208,017) as follows:

New Claims	Cancelled Parent Claims
91-97	91-97
98-99	101-02
100	108
101-102	115-16
103	121
104-109	126-31
110	135
111-112	137-38
113-114	171-72
115-120	177-82
121	186
122-134	188-200

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In each case, the new claim corresponds substantively to the claim from the immediate parent application, except for new claim 91, which includes the following text not present in claim 91 from the immediate parent application: "using a CPU of the first

device," and excludes the following text from that claim in two locations: "and copied."

In an Office Action dated June 7, 2000 in the immediate parent application, the Examiner rejected claims 91-97, 101, 102, 108, 115, 116, 121, 126-131, 135, 137-138, 171-172, 177-182, 186, 188-200 and 206-208 under 35 U.S.C. § 102(b) as being anticipated by Lofberg (U.S. Patent No. 4,595,950). Applicants respectfully disagree with the Examiner's characterization of Lofberg as anticipating original claim 91 (also new claim 91). (June 7, 2000 Office Action, in the immediate parent at ¶ 2). Applicants believe that Lofberg lacks a number of features of this claim. In particular, and without limitation, the examiner has interpreted the first device recited in the claim as the Lofberg rent terminal, and the digital file recited in the claim as the file "recorded on the record carrier" in Lofberg. In Lofberg, a video disk is described as the preferred embodiment of the file recorded on the record carrier.

New claim 91 (original claim 91) requires that the first device store the digital file in a first secure memory. It is clear, from <u>Lofberg</u>, that the file stored on the video disk is never stored in the rent terminal. Instead, the recorded file is placed on the video disk at the point of manufacture. The rent terminal never has any effect whatsoever on that file, and certainly never stores the file in any secure memory or any other location.

New claims 111 and 122 (original claims 137 and 188) also contain a requirement that the file be stored in a memory of the first device. For the foregoing reasons, these claims are also patentably distinct from Lofberg.

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In the Office Action dated June 7, 2000 in the immediate parent application, the Examiner also rejected claims 91-108, 115 and 135 under U.S.C. § 102(b) as anticipated by Karp (U.S. Patent No. 4,866,769). Applicants respectfully disagree and submit that new claim 91 is also distinct from Karp. Although not required for patentability, Applicants have added text to this claim to make it clear that the first device determines whether the file can be stored on a second device.

This is distinct from <u>Karp</u>, in which the first device checks whether an ID in the software matches the CPUID from the first device, and refuses to either run or copy the software if the check fails. <u>Karp</u> does not teach or suggest any check whereby a first device determines whether information may be stored on a second device. For at least these reasons, Applicants submit that new claim 91 is patentably distinct from <u>Karp</u>.

Applicants respectfully request that new claims 91-134 be allowed. If there is any fee due in connection with the filing of this Preliminary Amendment, please charge the fee to our Deposit Account No. 06-0916.

Respectfully submitted,

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